

GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

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MINUTES

BOARD OF DIRECTORS REGULAR MEETING

ON November 17, 2002

CALL MEETING TO ORDER: The Regular Meeting was called to order at 7:31 p.m. (President Katke) then adjourned the meeting to another location, the El Granada School, in order to accommodate additional expected members of the public. A separate notice regarding the change of the meeting location had been posted for the public two days before the meeting, one day after the posting of the agenda. The meeting reconvened in the Library at the El Granada School at 7:46 p.m.

ROLL CALL: Attending Directors were: President Bill Katke, Vice President Leonard Woren, Secretary Fran Pollard, Treasurer Laura Stein, Secretary Fran Pollard, and Board Member Shawn McGraw.

Attending staff were: General Manager Chuck Duffy, District Administrator Gina Holmes, Assistant District Administrator Delia Comito, Legal Counsel Jonathan Wittwer, and District Engineer Howard Hoffman.

PLEDGE OF ALLEGIANCE: Board President Bill Katke led all present in the Pledge of Allegiance.

GENERAL PUBLIC PARTICIPATION

President Katke opened the meeting for public comment. Public Participation to address matters not on the agenda. El Granada resident John Plock stated his belief that Action Agenda items #1 and #2 presented a conflict of interest for Board Members associated with Midcoast Park Lands. Jonathan Wittwer stated that he would respond to this comment when He was asked to defer his comment until those agenda items were addressed by the Board.

ACTION AGENDA

1. Consideration of purchase of District Office Building at 504 Avenue Alhambra, El Granada:

President Katke introduced General Manager Chuck Duffy to provide a brief history and review of the who would initiate the discussion of this agenda item. Prior to this review, District Counsel Jonathan Wittwer responded to interjected in order to render an opinion on Mr. Plock's statement made under Public Participation, and stated that there was not a conflict of interest regarding the GSD board members also associated with MidCoast Park Lands. Bowhich was that he did not see a conflict of interest between Agenda items #1 and #2.

Mr. Duffy started by reviewing the two spreadsheets attached to his cover memo provided in the agenda packets for this item. These documents were also distributed to the interested public members at the meeting. The two first spreadsheets titled *Economic Analysis for Potential Purchase of 504 Avenue Alhambra, "Expected,"* were used to

illustrate the effect on district finances comparing renting versus purchase, and showed rental expenses, CIP costs, yearly income, and District reserves and total assets. The spreadsheets differed only in the assumptions used for projected interest, rent increase, real estate appreciation, and occupancy rate projected over a 20-year period. The rental expenses, CIP costs, and the affect to District reserves versus revenues, expenses, CIP costs, building value, and the affect to District reserves and assets if the District purchased 504 Ave. Alhambra for it's facility. On the second spreadsheet, *Economic Analysis for Potential Purchase of 504 Avenue Alhambra*, "Conservative," Mr. Duffy had projected the same figures on a much more conservative basis, pointing out that the long-term difference between the two spreadsheets was marginal. The figures in the spreadsheets were Mr. Duffy's best estimates based on his own experience and that of District Real Property Negotiator Lee Engdahl, who

had provided some input.. On a purely financial basis, Mr. Duffy stated that purchasing the building was a sound felt that purchasing the building would be a good business decision based on the analysis presented in the spreadsheets and should not have a significant impact on the District's capital improvement projects. He then stated that there were other issues to consider concerning the potential purchase, and related several of these as outlined in his agenda memo.

Each Board Member had an opportunity to ask questions of Mr. Duffy and Mr. Engdahl, and to state their position on this item. President Katke then proceeded to Public Comment. The following members of the public submitted speaker slips to address the Board on this item:

James P. Kenney Jr., Donald Sheardown, Meredith Monica Karpowich, John Lynch, John Plock, Jeff Laughlin, Louis Bertolucci, Jerry Donovan, Toni Taylor, Lani Ream, Shirley Brey - (gave up time-did not speak), James K. Barnes, James Elliot, Julian V. McCurrach, Charles H. Hall Sr., Nick Damer, and J. Marsh.

All members of the public who spoke voiced their opposition to the purchase of the building. The general sense of those who spoke in attendance was that the public was not aware nor involved in the process of this proposed purchase. Most felt that the building was too large for the needs of the District. There was concern about the proposed building's purchase price, the current vacancy rate and the District's ability to lease out the excess office space, and the costs associated with leasing, management and maintenance. Most felt that the District should research more options.

After hearing public comment on the item, the Board and the General Manager responded to the questions and issues raised during the session. President Katke then gave each board member an opportunity to state their position on the issue.

President Katke read into the record a letter received from Leni Schultz, who supported the District's proposal to purchase the building.

After further discussion, Director Stein moved to not proceed with the move forward to purchase of the building and to direct the General Manager to send a letter to the District's Real Property Negotiator, the Bbuilding Oowwner, and the Bbuilding

Oowner's Aagent canceling the purchase agreement and requesting a refund of the District's deposit. (Stein/McGraw) Approved , 3-2, Katke and Woren opposed. Director Woren requested it be noted that because the motion had already received enough votes to pass, Director Woren voted "no" for the record. He believes that the District needs its own building.) Passed

Stein; McGraw; Pollard - Yes

Katke; Woren - No

2. Consideration of District Reorganization into a Community Services District (CSD) with Parks and Recreation Powers:

The General Manager provided a review of the information collected over the previous month concerning this item. He advised

Mr. Duffy advised the Board that this item was on the agenda for information only and that no action was required. Mr. Duffy would continue to gather information to be provided at a future board meeting.

3. Consideration of General Manager Chuck Duffy's Contract Extension:

The Board provided input on the General Manager's performance to date. Mr. Duffy advised that the contract term had been changed from three months to one year, but that the Board had the option to terminate the contract at any time with thirty days notice. Directors Woren and McGraw asked for a listing of cost savings implemented by Mr. Duffy for presentation at a future Board meeting.

Director Stein moved to approve the one-year extension of General Manager Chuck Duffy's contract. (Stein/Pollard) Approved , 5-0) Passed

4. **Consideration of letter to be sent to Supervisor Rich Gordon requesting Director Woren to be appointed to the San Mateo County task force on Parks and Recreational Needs Assessment for the Mid-Coast Communities in Unincorporated San Mateo County:**

A draft letter to Supervisor Gordon was provided for this agenda item. Directors Stein and McGraw questioned whether this was an issue the District should be involved with, because it concerned parks rather than sanitation. After some discussion , **Director Stein moved to not send the proposed draft letter requesting appointment of Director Woren to the County task force on Parks and Recreational Needs Assessment for the Mid-Coast Communities in Unincorporated San Mateo County. (Stein/McGraw), Failed , 2-3 ; Failed Katke, Pollard, and Woren opposed**

**Stein; McGraw - Yes
Katke; Woren; Pollard – No**

**Director Woren moved to send the draft letter requesting appointment of Director Woren to the County task force on Parks and Recreational Needs Assessment for the Mid-Coast Communities in Unincorporated San Mateo County. (Woren/Pollard), Approved 3-2;) Passed McGraw and Stein
Katke; Woren; Pollard – Yes
Stein: McGraw – No opposed**

The maker amended the above motion. In the draft letter presented provided, the statement *“Leonard Woren does not represent the District” would be added* and the the last sentence beginning *“ The Granada Sanitary District Board believes...”* in in the last paragraph would be eliminated. It would be replaced as follows: *“This letter does not imply that Leonard Woren is representing the Granada Sanitary District.”* The amendment was accepted. (Woren/Pollard)?, Approved 3–2); Stein and McGraw opposed

CONSENT AGENDA

5. **Approval of special meeting minutes for October 9, 2002**
6. **Approval of special meeting minutes for October 17, 2002**
7. **Approval of meeting minutes for October 17, 2002**
8. **Approval of November 2002 warrants totaling \$245,394.52 (Ck # 3664 to #3713)**
9. **Approval of September 2002 Financial Statements**
10. **Approval of Bond Administration Fund distribution to Kennedy/Jenks in the amount of \$222.00 (Assessment District Expense)**

**Approve District Engineer's recommendation to accept Class 3 Mainline Extension
tto**

11. **serve APN: 047-034-170, 152 West Point Avenue, Princeton (Permitee: Fred Herring)**
1.

Director Woren requested that item #11 be held for discussion.

Director Pollard moved to approve Consent Agenda items 5, 6, 7, 8, 9, and 10.

Director Woren requested that item #11 be held for discussion. **(Pollard/Woren) , 5-0)**

Passed/Approved 5-0

**After discussion, Director Stein moved to approve Consent Agenda item #11.
(Stein/McGraw) , 5-0) Passed/Approved 5-0**

DIRECTORS' COMMENTS AND COMMITTEE REPORTS

12. **Committee Reports: Report on Sewer Authority Mid-Coastside meeting held on**
12. **October 28, 2002: Directors Woren and McGraw**

Director Woren reported that the person selected to be SAM's new General Manager declined the position.

INFORMATION CALENDAR

13. 13. **General Manager's Report: LCP Update:**

Mr. Duffy reported that the meeting between him, District Counsel Wittwer and County Officials was positive. Report to follow.

14. 14. **Administrator's Report: Report for October/November 2002**

: Administrator Holmes advised that a report would be forthcoming on the status of solid waste pick up at Surfer's Beach.

15. 15. **Engineer's Report: Report of Recent Engineering Activities for September 2002**

: District Engineer Howard Hoffman indicated that his invoice summary was to have included staff time and that a correction would be forthcoming.

16. 16. **Attorney's Report:**

None

FUTURE AGENDA ITEMS:

No discussion

ADJOURN:

At 11:30 p.m., Director Pollard moved to adjourn. **PLEDGE OF ALLEGIANCE:** Board President Bill Katke led all present in the Pledge of Allegiance. (Pollard/McGraw)
Approved 5-0

GENERAL PUBLIC PARTICIPATION: President Katke opened Public Comment. The following member of the public addressed the Board:

Donald Sheardown, a resident of Miramar, stated his concerns regarding the accessibility of the District's meeting facilities to disabled persons, and also asked the Board to notify the general public of the District's negotiations to purchase a building for the District's offices in El Granada. District Manager Chuck Duffy advised Mr. Sheardown that he could contact him after the meeting to discuss ADA compliance, if he desired. Further, Mr. Duffy stated that consideration of purchasing a building for District offices would be an Open Session item on the November agenda, and that the issue had been an Open Session item earlier in the year.

Director Leonard Woren announced that the County would no longer provide the Parcel Inventory System on their web site, and requested that staff contact the County for information in this issue. He feels that the information provided by the system is a valuable resource to the District and the public, and he would like the County to put it back onto their web site.

SUBMITTED BY:

APPROVED BY:

CONSENT AGENDA

1. **Approval of meeting minutes for September 19, 2002**
2. **Approval of October warrants totaling \$142,141.59**
3. **Approval of August 2002 Financial Statements**

4. **Approval of Bond Administration Fund distribution to GSD in the amount of \$8,317.98 Reimbursement for Assessment District Expenses paid from General Account**
5. **Approval of Relief of One Non-Contingent Assessment (1 ERU) for O'Hare/Navarro, APN 048-022-360, 310 Magellan Ave., Miramar**

Director Shawn McGraw requested that Consent Agenda Item #1 be held for discussion.

**Director Laura Stein moved to approve Consent Agenda items 2, 3, 4, and 5.
(Stein/Woren) 5-0**

ACTION AGENDA

6. **Consideration of Audit for Fiscal Year 2000-2001.**
General Manager Duffy reviewed the audit report provided in detail, and answered general Board questions.
**Director Stein moved to approve the District audit report for fiscal year 2000-2001.
(Stein/McGraw) 5-0**
7. **Review and Discussion of Monthly Financial Statements.**
General Manager Duffy reviewed the current Balance and Revenue & Expenditures sheets, explaining the changes he will implement for clarity. This was a discussion item only.

The Board returned to the Consent Agenda item held for discussion earlier in the meeting.

1. **Approval of meeting minutes for September 19, 2002:**
Director McGraw requested the following verbiage be added to the minutes for item #1: “. . . research she had done on other *Coastside* districts meeting compensation.”

Director McGraw moved to approve the meeting minutes for September 19, 2002 with the requested change. (McGraw/Pollard) 5-0

DIRECTORS' COMMENTS AND COMMITTEE REPORTS

8. **Sewer Authority Mid-Coastside: Directors Woren and McGraw: Report on Special Meeting held on October 14, 2002 adjourned from September 23, 2002 meeting:**
Director Woren reported that SAM is still in the process of interviewing for a General Manager.

9. General Manager's Report.

Status of Community Services District Research: A report will be provided at the next board meeting on this item.

LCP Update: District Counsel Jonathan Wittwer advised that he, Mr. Duffy and Mike Murphy (County of San Mateo Chief Deputy County Counsel) are in the process of scheduling a meeting to discuss issues concerning the LCP Update as it relates to the District.

District Newsletter: The Board agreed to have final comments on the newsletter to the General Manager no later than October 25th. The Board decided on using different photos taken throughout the District for the masthead.

10. Administrator's Reports.

District Administrator Gina Holmes briefly reviewed the following reports: Administrative Activities for September/October 2002, Status of Sewer Connection Applications and Permits, and Status of Additional Waste Cans/Dog Waste Collection Bag Dispenser at Surfer's Beach.

11. Engineer's Report:

District Engineer Howard Hoffman briefly reviewed the Report of Recent Engineering Activities for August 2002.

12. Attorney's Reports:

Counsel Wittwer advised that he would be writing a response to a letter he received from Mr. Perkins, an applicant requesting exemption from Ordinance No. 139, regarding whether a CDP needed to be obtained for a lot line adjustment on his parcel.

FUTURE AGENDA ITEMS

13. Re-ordering of Future Agendas:

The Board agreed to move the Consent Agenda to the end of the Action Agenda at future meetings.

ADJOURN

President Katke adjourned the meeting at 10:02 p.m.

SUBMITTED BY:
Chuck Duffy, General Manager

APPROVED BY:
Fran Pollard, Board Secretary

DATE APPROVED:

December 21, 2002

_____ Date Approved